14 May 2015

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

GrainCorp Limited (ASX: GNC)

Half Year Results for period ended 31 March 2015

We **attach** the Appendix 4D and Interim Financial Report for the Half Year ended 31 March 2015.

The Media Release and Investor Presentation concerning the Half Year Results to 31 March 2015 have today been separately released to the ASX.

Yours sincerely,

Gregory Greer
Company Secretary

GrainCorp Limited

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GrainCorp

GRAINCORP LIMITED
APPENDIX 4D
FOR THE HALF YEAR ENDED 31 MARCH 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
	Up / Down	% Movement		**2015 $ M**
Revenue from ordinary activities	Down	3.9%	to	**1,975.1**
Profit before significant items from ordinary activities after tax attributable to owners of GrainCorp Limited	Down	43.3%	to	**34.7**
Significant items[1] from ordinary activities net of tax	Down	59.8%	to	**(4.5)**
Profit from ordinary activities after tax attributable to owners of GrainCorp Limited	Down	39.6%	to	**30.2**
Net profit for the period attributable to owners of GrainCorp Limited	Down	39.6%	to	**30.2**

Dividend Information	**Amount per security**	**Franked amount per security at 30% tax**
Final dividend per share (paid 16 December 2014)	5.0 cents	5.0 cents
Interim dividend per share (to be paid 17 July 2015)	7.5 cents	7.5 cents
Record date for determining entitlements to the interim dividend		3 July 2015
Payment date for interim dividend		17 July 2015

Additional Information

Net Tangible Assets per share: $5.63 (2014: $5.48)

Additional Appendix 4D disclosure requirements can be found in the attached Interim Financial Report.

This report is based on the consolidated financial statements and notes which have been reviewed by PricewaterhouseCoopers.

Further information regarding the company and its business activities can be obtained by visiting the company's website at www.graincorp.com.au.

[1] Significant items: GrainCorp defines significant items as not in the ordinary course of business, non-recurring and material in nature and amount. Significant items are shown in Note 3 in the Interim Financial Report.

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GrainCorp Limited (ABN 60 057 186 035) and Controlled Entities

Interim Financial Report for the half year ended 31 March 2015

This Interim Financial Report is provided to the Australian Stock Exchange (ASX) under ASX listing Rule 4.2A.3 and should be read in conjunction with the Annual Report of GrainCorp Limited for the year ended 30 September 2014 and any announcements made by the Company during the period in accordance with the continuous disclosure obligations of the ASX Listing Rules.

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Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of GrainCorp Limited ('GrainCorp' or the 'Company') and the entities it controlled at the end of, or during, the half year ended 31 March 2015.

Directors

The following people were Directors of GrainCorp during the half year and up to the date of this report:

- D C Taylor (Chairman, effective 1 October 2014)
- M L Palmquist (Managing Director & CEO, effective 1 October 2014)
- R P Dee-Bradbury
- B J Gibson
- P J Housden
- D J Mangelsdorf
- D G McGauchie AO
- D B Trebeck
- S L Tregoning

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations

Group Financial Analysis and Commentary

The Group recorded a statutory net profit after tax ('NPAT') of $30.2 million ($34.7 million excluding significant items) for the half year ended 31 March 2015 compared to $50.0 million for the corresponding half year ($61.2 million excluding significant items). Refer to Note 3 – Significant items for details of the pre and post-tax impact of significant items.

Revenue from continuing operations decreased 3.9% to $1,975.1 million (2014: $2,055.5 million) due to lower commodity prices and harvest receivals.

Total country receivals during the half year were 6.7 million metric tonnes ('mmt') (2014: 7.6 mmt) with 1.4 mmt exported through GrainCorp Ports (2014: 2.8 mmt). Grain in storage at the beginning of the half year was 1.9 mmt (2014: 2.3 mmt). Grain in storage at the end of the period was 5.2 mmt (2014: 5.3 mmt).

Marketing sales (including pools) were 3.2 mmt (2014: 3.5 mmt).

Malt sales volumes for the half year ended 31 March 2015 were 0.62 mmt (2014: 0.62 mmt).

Oils recorded crushing and refining sales volumes of 0.28 mmt (2014: 0.27 mmt).

Storage & Logistics

- Below average carry-in of 1.9 mmt
- Country receivals of 6.7 mmt (including 0.2 mmt summer crop), grain exports of 1.4 mmt (including containers) and non-grain exports of 1.2 mmt
- Lower earnings due to below-normal grain production resulting in lower volumes
- Lower operating cost per tonne resulting from Project Regeneration initiatives

Marketing

- Earnings lower due to lower grain production in eastern Australia, greater competition for grain domestically and margin pressure on exports
- Alternative origination sources competing strongly with Australian grain
- Reduced natural advantages of Australian grain resulting in weaker than expected demand for Australian grain, hence lower margins
- 3.2 mmt sales delivered (1.5 mmt domestic, 1.7 mmt export and international)
- Increased proportion of grain originated outside of Eastern Australia

Malt

- 0.60 mmt of sales in the first half of 2015
- Continued high capacity utilisation above 90%
- Better than expected performance processing barley in North America given the poor quality however, incurred some unrecoverable processing and transport costs
- Improved energy and water efficiencies and waste reduction from implementation of strategic initiatives
- Favourable impact from foreign exchange rates, impacting translation and export competitiveness

Oils

- Crushing and refining sales of 0.28 mmt
- Continued high capacity utilisation above 95% for bulk liquid terminals, and contribution from recently completed terminals at Fremantle and Port Kembla
- Complementary businesses performing in line with expectations

Allied Mills

- Contributions from value add product initiatives
- Challenging retail market conditions

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. The financial reports and Directors' report have been rounded to the nearest hundred thousand dollars, or in certain cases, to the nearest thousand dollars.

This report is made in accordance with a resolution of the Directors.

D C Taylor
Chairman

Sydney
14 May 2015

Auditor's Independence Declaration

As lead auditor for the review of GrainCorp Limited for the half year ended 31 March 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GrainCorp Limited and the entities it controlled during the period.

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
14 May 2015

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Interim Financial Report

Consolidated Income Statement

For the half year ended 31 March 2015

	Note	Half year 2015 $ M	Half year 2014 $ M
Revenue		1,975.1	2,055.5
Other income	5	(3.9)	46.3
Goods purchased for resale		(977.1)	(1,055.9)
Raw materials and consumables used		(590.1)	(607.2)
Employee benefits expense		(170.6)	(176.0)
Finance costs		(24.3)	(22.1)
Depreciation and amortisation		(66.5)	(61.4)
Operating leases		(18.6)	(20.4)
Repairs and maintenance		(20.5)	(22.9)
Other expenses	6	(59.3)	(54.9)
Significant items	3	(5.1)	(16.0)
Share of results of investments accounted for using the equity method		3.6	3.6
Profit before income tax		**42.7**	**68.6**
Income tax expense		(12.5)	(18.6)
Profit for the period		**30.2**	**50.0**
Profit for the period attributable to owners of GrainCorp Limited		**30.2**	**50.0**

	Cents	Cents
Earnings per share		
Basic earnings per share	13.3	21.9
Diluted earnings per share	13.3	21.9

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the half year ended 31 March 2015

	Half year	
	2015 $ M	2014 $ M
Profit for the period	**30.2**	**50.0**
Other comprehensive income		
Items that will not be reclassified to profit and loss:		
Remeasurements of retirement benefit obligations	(1.6)	(0.8)
Income tax relating to these items	0.3	0.2
Items that may be reclassified to profit and loss:		
Changes in the fair value of cash flow hedges	(12.2)	(4.3)
Share of comprehensive income of joint ventures	(0.1)	(0.3)
Exchange differences on translation of foreign operations	48.1	(3.4)
Income tax relating to these items	3.3	1.0
Other comprehensive income for the period, net of tax	**37.8**	**(7.6)**
Total comprehensive income for the period attributable to owners of GrainCorp Limited	**68.0**	**42.4**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

At 31 March 2015

	Note	31 March 2015 $ M	30 September 2014 $ M
Current assets			
Cash and cash equivalents		227.3	206.2
Trade and other receivables		542.0	404.3
Inventories	7	914.9	576.2
Derivative financial instruments	10	134.1	153.0
Assets classified as held for sale		4.3	5.6
Current tax assets		1.9	23.1
Total current assets		**1,824.5**	**1,368.4**
Non-current assets			
Trade and other receivables		40.3	19.3
Investments accounted for using the equity method		163.8	161.5
Other financial assets		10.9	11.0
Deferred tax assets		50.8	26.8
Property, plant and equipment		1,267.4	1,216.6
Intangible assets		533.7	525.0
Derivative financial instruments	10	1.1	4.6
Total non-current assets		**2,068.0**	**1,964.8**
Total assets		**3,892.5**	**3,333.2**
Current liabilities			
Trade and other payables		294.6	268.9
Borrowings	8	707.7	352.5
Derivative financial instruments	10	137.0	127.2
Other financial liabilities		0.2	0.2
Current tax liabilities		10.0	1.8
Provisions		65.5	96.4
Total current liabilities		**1,215.0**	**847.0**
Non-current liabilities			
Trade and other payables		47.8	18.2
Borrowings	8	688.2	600.7
Derivative financial instruments	10	9.1	4.2
Other financial liabilities		1.9	0.2
Deferred tax liabilities		71.6	62.0
Provisions		23.5	24.3
Retirement benefit obligations		34.1	32.1
Total non-current liabilities		**876.2**	**741.7**
Total liabilities		**2,091.2**	**1,588.7**
Net assets		**1,801.3**	**1,744.5**
Equity			
Contributed equity		1,345.9	1,344.8
Reserves		79.0	40.8
Retained earnings		376.4	358.9
Total equity		**1,801.3**	**1,744.5**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half year ended 31 March 2015

	Hedging reserve $ M	Capital reserve $ M	Share option reserve $ M	Translation reserve $ M	Total reserves $ M	Contributed equity $ M	Retained earnings $ M	Total equity $ M
At 1 October 2013	**(0.5)**	**8.3**	**8.1**	**12.8**	**28.7**	**1,338.3**	**391.6**	**1,758.6**
Profit for the half year	-	-	-	-	-	-	50.0	50.0
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	(3.4)	(3.4)	-	-	(3.4)
(Loss) on cash flow hedges	(4.3)	-	-	-	(4.3)	-	-	(4.3)
Remeasurements of defined benefit obligations	-	-	-	-	-	-	(0.8)	(0.8)
Share of other comprehensive income of joint ventures	(0.3)	-	-	-	(0.3)	-	-	(0.3)
Deferred tax credit	1.0	-	-	-	1.0	-	0.2	1.2
Total other comprehensive income	**(3.6)**	**-**	**-**	**(3.4)**	**(7.0)**	**-**	**(0.6)**	**(7.6)**
Total comprehensive income for the half year	(3.6)	-	-	(3.4)	(7.0)	-	49.4	42.4
Transactions with owners:								
Dividends paid	-	-	-	-	-	-	(45.8)	(45.8)
Share-based payments	-	-	0.1	-	0.1	-	-	0.1
Dividends received by Employee Trust	-	-	-	-	-	-	0.1	0.1
Less: Treasury shares	-	-	-	-	-	(0.4)	-	(0.4)
Less: Treasury shares vested to employees	-	-	(6.8)	-	(6.8)	6.8	-	-
Total transactions with owners	-	-	(6.7)	-	(6.7)	6.4	(45.7)	(46.0)
At 31 March 2014	**(4.1)**	**8.3**	**1.4**	**9.4**	**15.0**	**1,344.7**	**395.3**	**1,755.0**
At 1 October 2014	**(3.1)**	**8.3**	**1.1**	**34.5**	**40.8**	**1,344.8**	**358.9**	**1,744.5**
Profit for the half year	-	-	-	-	-	-	30.2	30.2
Other comprehensive income:								
Exchange differences on translation of foreign operations	(0.2)	-	-	48.3	48.1	-	(0.8)	47.3
(Loss) on cash flow hedges	(12.2)	-	-	-	(12.2)	-	-	(12.2)
Remeasurements of defined benefit obligations	-	-	-	-	-	-	(0.8)	(0.8)
Share of other comprehensive income of joint ventures	(0.1)	-	-	-	(0.1)	-	-	(0.1)
Deferred tax credit	3.3	-	-	-	3.3	-	0.3	3.6
Total other comprehensive income	**(9.2)**	**-**	**-**	**48.3**	**39.1**	**-**	**(1.3)**	**37.8**
Total comprehensive income for the half year	(9.2)	-	-	48.3	39.1	-	28.9	68.0
Transactions with owners:								
Dividends paid	-	-	-	-	-	-	(11.4)	(11.4)
Share-based payments	-	-	0.2	-	0.2	-	-	0.2
Less: Treasury shares vested to employees	-	-	(1.1)	-	(1.1)	1.1	-	-
Total transactions with owners	-	-	(0.9)	-	(0.9)	1.1	(11.4)	(11.2)
At 31 March 2015	**(12.3)**	**8.3**	**0.2**	**82.8**	**79.0**	**1,345.9**	**376.4**	**1,801.3**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 31 March 2015

	Note	Half year 2015 $ M	Half year 2014 $ M
Cash flows from operating activities			
Receipts from customers		1,998.6	2,187.1
Payments to suppliers and employees		(2,298.7)	(2,696.4)
		(300.1)	(509.3)
Proceeds from bank loans – inventory funding		324.7	569.5
Interest received		3.8	2.0
Interest paid		(25.4)	(19.6)
Income taxes refunded / (paid)		2.5	(32.0)
Net inflow from operating activities		**5.5**	**10.6**
Cash flows from investing activities			
Payments for property, plant and equipment		(80.6)	(59.4)
Payments for computer software		(4.6)	(6.9)
Proceeds from sale of property, plant and equipment		1.7	-
Net (outflow) from investing activities		**(83.5)**	**(66.3)**
Cash flows from financing activities			
Proceeds from borrowings		502.9	288.8
Repayment of borrowings		(401.7)	(307.7)
Dividend paid	4	(11.4)	(45.8)
Net inflow / (outflow) from financing activities		**89.8**	**(64.7)**
Net increase / (decrease) in cash and cash equivalents		11.8	(120.4)
Cash and cash equivalents at the beginning of the period		206.2	255.0
Effects of exchange rate changes on cash and cash equivalents		9.3	(0.3)
Cash and cash equivalents at the end of the period		**227.3**	**134.3**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half year ended 31 March 2015

1. Significant accounting policies

The Interim Financial Report includes consolidated financial statements for GrainCorp Limited ('GrainCorp' or the 'Company') and its controlled entities (collectively the 'Group'). GrainCorp Limited is a company incorporated in Australia, limited by shares which are publicly traded on the Australian Securities Exchange.

The Interim Financial Report of GrainCorp Limited for the half year ended 31 March 2015 was authorised for issue in accordance with a resolution of the Directors on 14 May 2015. The Directors have the power to amend and reissue the financial report.

a) Statement of compliance

The Interim Financial Report is a general purpose financial report prepared in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Interim Financial Report does not include all of the information required for an Annual Report, and should be read in conjunction with the Annual Report of the Group as at 30 September 2014 and any public announcements made by GrainCorp Limited during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001* and ASX Listing Rules.

The accounting policies have been applied consistently to all periods presented in the Interim Financial Report. No accounting standards issued but not yet effective have been early adopted in the period. The Interim Financial Report has been prepared on a going concern basis.

The Interim Financial Report is presented in Australian Dollars, which is the functional currency of the Group. GrainCorp Limited is a Company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998. In accordance with the Class Order, all amounts in the Interim Financial Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

This interim financial report has been prepared on the basis of the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) and commodity inventories, at fair value through profit or loss.

Certain comparative amounts have been reclassified to align with current period presentation.

b) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2015 reporting period. The Group has assessed the impact of these new standards, and does not expect that initial application of these will affect any of the amounts recognised in the financial report, but may change disclosures presently made in relation to the Group.

	Effective for annual reporting periods commencing
• AASB 15 *Revenue from contracts with customers*	1 Jan 2017
• AASB 9 *Financial instruments*	1 Jan 2018

c) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, however the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new or amended standards.

2. Segment information

For management purposes, the Group is organised into four business units based on their products and services, forming the four reportable segments reviewed by the Managing Director & CEO in making strategic decisions.

- **Storage & Logistics consists of:**
  - Country & Logistics – receivals, transport, testing and storage of grains and other bulk commodities.
  - Ports – storage and export / import of grain, and other bulk commodities.
- **Marketing** – marketing of grain and agricultural products, and the operation of grain pools.
- **Malt** – production of malt products, provision of brewing inputs and other malting services to brewers and distillers, sale of farm inputs, and export of malt .
- **Oils** – processing and crushing of oilseeds, supplying edible oils, operating bulk liquid port terminals, storage, packaging, transport and logistics operations.

Corporate includes the share of profit from equity accounted investments along with unallocated corporate costs.

Management measures performance based on a measure of EBITDA, after adjusting for the allocation of interest expense to the Marketing and Oils segments and significant items. Other than interest associated with Marketing and Oils, Group financing (including interest income and interest expense) and income taxes are managed on a Group basis and are not allocated to operating segments.

Revenue from external customers is measured in a manner consistent with that in the Consolidated Income Statement. Inter-segment pricing is determined on an arm's length basis.

Segment assets and liabilities reported to management are measured in a manner consistent with that of the financial statements, based on the operations of the segment.

Half year 2015	Storage & Logistics $ M	Marketing $ M	Malt $ M	Oils $M	Reportable segments $ M	Corporate $ M	Eliminations $ M	Total $ M
Reportable segment revenue								
External revenues	129.2	842.9	532.5	470.5	1,975.1	-	-	1,975.1
Inter-segment revenue	79.8	73.9	-	-	153.7	0.2	(153.9)	-
Total reportable segment revenue	**209.0**	**916.8**	**532.5**	**470.5**	**2,128.8**	**0.2**	**(153.9)**	**1,975.1**
Reportable segment result	**26.6**	**7.7**	**69.4**	**41.5**	**145.2**	**(12.7)**	**-**	**132.5**
Share of profit of joint ventures	-	-	-	0.2	0.2	3.4	-	3.6
Profit before significant items, net interest, depreciation, amortisation and income tax								136.1
Net Interest	-	(9.1)	-	(0.7)	(9.8)	(12.0)	-	(21.8)
Depreciation and amortisation	(25.4)	(2.0)	(24.3)	(14.3)	(66.0)	(0.5)	-	(66.5)
Significant items (note 3)	1.3	-	(1.8)	(3.2)	(3.7)	(1.4)	-	(5.1)
Profit before income tax from continuing operations	**2.5**	**(3.4)**	**43.3**	**23.5**	**65.9**	**(23.2)**	**-**	**42.7**
Other segment information								
Capital expenditure	22.6	0.1	15.8	46.6	85.1	0.1	-	85.2
Reportable segment assets	561.2	737.6	1,425.7	745.4	3,469.9	422.6	-	3,892.5
Reportable segment liabilities	(89.2)	(704.0)	(619.6)	(180.6)	(1,593.4)	(497.8)	-	(2,091.2)

2. Segment information (continued)

Half year 2014	Storage & Logistics $ M	Marketing $ M	Malt $ M	Oils $M	Reportable segments $ M	Corporate $ M	Eliminations $ M	Total $ M
Reportable segment revenue								
External revenues	155.1	922.5	507.1	470.8	2,055.5	-	-	2,055.5
Inter-segment revenue	124.8	43.3	-	5.6	173.7	0.1	(173.8)	-
Total reportable segment revenue	**279.9**	**965.8**	**507.1**	**476.4**	**2,229.2**	**0.1**	**(173.8)**	**2,055.5**
Reportable segment result	**62.5**	**16.2**	**57.2**	**36.4**	**172.3**	**(9.8)**	**-**	**162.5**
Share of profit of joint ventures	-	-	-	-	-	3.6	-	3.6
Profit before significant items, net interest, depreciation, amortisation and income tax								166.1
Net Interest	-	(7.8)	-	(0.5)	(8.3)	(11.8)	-	(20.1)
Depreciation and amortisation	(24.1)	(1.9)	(22.2)	(12.5)	(60.7)	(0.7)	-	(61.4)
Significant items (note 3)	-	-	-	(15.5)	(15.5)	(0.5)	-	(16.0)
Profit before income tax from continuing operations	**38.4**	**6.5**	**35.0**	**7.9**	**87.8**	**(19.2)**	**-**	**68.6**
Other segment information								
Capital expenditure	28.6	3.7	12.6	21.1	66.0	0.3	-	66.3
Reportable segment assets at 30 September 2014	525.8	440.9	1,287.1	636.3	2,890.1	443.1	-	3,333.2
Reportable segment liabilities at 30 September 2014	(134.0)	(388.2)	(545.3)	(111.4)	(1,178.9)	(409.8)	-	(1,588.7)

3. Significant items

Net profit after tax for the half year includes the following items whose disclosure is relevant in explaining the financial performance of the Group.

Half year 2015	Business Unit	Profit before tax $ M	Tax $ M	NPAT $ M
Net significant items for 31 March 2015 comprise:				
Restructuring costs[1]	S&L, Oils, Allied Mills	(3.3)	0.6	(2.7)
Impairment of assets[2]	Malt	(1.8)	-	(1.8)
Net significant items		**(5.1)**	**0.6**	**(4.5)**

Half year 2014	Business Unit	Profit before tax $ M	Tax $ M	NPAT $ M
Net significant items for 31 March 2014 comprise:				
Restructuring costs[3]	Oils	(15.5)	4.7	(10.8)
Takeover response costs[4]	Corporate	(0.5)	0.1	(0.4)
Net significant items		**(16.0)**	**4.8**	**(11.2)**

[1] Restructuring costs of $2.7 million (after tax) relate to GrainCorp Oils Network Optimisation, Storage & Logistics Project Regeneration costs and Allied Mills. The costs include redundancy and depreciation.

[2] Impairment of assets of $1.8 million (after tax) relate to a site in GrainCorp Malt.

[3] Restructuring costs of $10.8 million (after tax) relate to GrainCorp Oils Network Optimisation. The costs include redundancy, depreciation and impairment of plant and equipment.

[4] Expenses of $0.4 million (after tax) relate to costs of advisors engaged to support the Board and management in their response to ADM's takeover proposals.

4. Dividends

	Half year 2015 $ M	2014 $ M
Dividends paid in the half year:		
Final fully franked dividend for the year ended 30 September 2014 of 5.0 cents (2013: 20.0 cents)	11.4	45.8
	11.4	**45.8**

Dividend not recognised at half year:

Subsequent to the period end the Directors have approved the payment of the following dividend, expected to be paid on 17 July 2015:

Interim fully franked dividend for the half year ended 31 March 2015 of 7.5 cents (2014: 15.0 cents)	17.2
	17.2

This dividend is to be paid out of retained profits at 31 March 2015, but is not recognised as a liability at the period end.

5. Other income

	Half year 2015 $ M	2014 $ M
Net gain / (loss) on derivative / commodity trading:		
Net realised gain / (loss) on foreign currency derivatives	(41.2)	(2.0)
Net realised gain / (loss) on financial derivatives	41.6	11.4
	0.4	9.4
Net unrealised gain / (loss) on foreign currency derivatives	(26.5)	14.8
Net unrealised gain / (loss) on financial derivatives	(12.7)	(10.0)
Net unrealised gain / (loss) on commodity contracts (forward purchases and sales)	6.0	(43.3)
Net unrealised gain / (loss) on commodity inventories at fair value less costs to sell	15.9	61.6
	(17.3)	23.1
Net gain / (loss) on derivative / commodity trading	(16.9)	32.5
Compensation for impairment of assets received from third party	5.3	4.6
Interest	2.5	2.0
Sundry income	5.2	7.2
	(3.9)	**46.3**

6. Other expenses

Included in other expenses:	Half year 2015 $ M	Half year 2014 $ M
Occupancy cost	(7.4)	(8.4)
Software maintenance	(7.0)	(5.0)
Insurance	(5.0)	(5.2)
Consulting	(3.8)	(4.4)
Motor vehicle cost	(5.3)	(6.4)
Travel	(5.1)	(4.5)
Telephone expenses	(3.0)	(2.8)
Other expenses	(22.7)	(18.2)
	(59.3)	**(54.9)**

7. Inventories

	31 March 2015 $ M	30 September 2014 $ M
Consumable stores	7.3	2.4
Raw materials	254.2	185.3
Work in progress	18.8	22.8
Finished goods	166.5	121.1
Trading stock at net realisable value	4.5	27.5
Commodities inventory at fair value less cost to sell	463.6	217.1
	914.9	**576.2**

The value of inventory secured against bank loans is $523.5 million (2014: $222.0 million). Refer to Note 8.

8. Borrowings

Current	31 March 2015 $ M	30 September 2014 $ M
Short term facilities – unsecured	132.8	106.7
Inventory funding facilities – secured	574.7	245.6
Leases – secured	0.2	0.2
Total current borrowings	**707.7**	**352.5**
Non-current		
Term debt facilities – unsecured	678.3	590.7
Leases – secured	9.9	10.0
Total non-current borrowings	**688.2**	**600.7**

a) Assets pledged as security

Leases are secured by the underlying assets. The inventory funding facilities are secured against the related inventory. The total secured liabilities (current and non-current) are as follows:

	31 March 2015 $ M	30 September 2014 $ M
Lease liabilities	10.1	10.2
Inventory funding facilities	574.7	245.6
	584.8	**255.8**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	31 March 2015 $ M	30 September 2014 $ M
Leased assets	0.4	0.4
Inventory	523.5	222.0
	523.9	**222.4**

Lease liabilities (other than liabilities recognised in relation to surplus space under non-cancellable operating leases) are effectively secured, as rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The inventory funding facilities are secured against the related inventory.

Loans under term funding facilities are secured by a negative pledge that imposes certain covenants on the Group. The negative pledge states that (subject to certain exceptions) the subject entity will not provide any other security over its assets, and will ensure that certain financial ratios and limits are maintained at all times, including: interest cover, gearing ratios and net tangible assets. All such borrowing covenant ratios and limits have been complied with during the half year.

8. Borrowings (continued)

b) Financing arrangements

Borrowings are drawn under the following Group debt facilities:

31 March 2015	Maturity date	Principal facility amount $ M	Amount utilised $ M
Term debt	July 2016	420.6	378.3
Term debt	October 2016	225.0	225.0
Term debt	November 2019	210.0	75.0
Inventory funding	November 2015	779.6	574.7
Working capital	October 2015	405.0	132.8
		2,040.2	**1,385.8**

30 September 2014	Maturity date	Principal facility amount $ M	Amount utilised $ M
Term debt	July 2016	406.1	365.7
Term debt	October 2016	225.0	225.0
Term debt	November 2019	210.0	-
Inventory funding	November 2015	1,048.0	245.6
Working capital	October 2015	405.0	106.7
		2,294.1	**943.0**

Unsecured term debt facilities which were due to mature in July 2016 and October 2016 have been refinanced. Refer to Note 11 – Events occurring after the reporting period for details.

9. Contingencies

The Group may from time to time receive notices of possible claims for losses or damages. A provision of $14.6 million (30 September 2014: $44.7 million) has been recognised to cover any liabilities which may arise out of such claims. Based on information currently available, the Directors believe that no further provision is required at this time. A contingent liability exists for any amounts that ultimately become payable over and above current provisioning levels.

10. Financial instruments

Fair value measurements

Financial instruments carried at fair value are classified using a valuation method based on the following hierarchy:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (use of unobservable inputs).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 31 March 2015:

31 March 2015	Level 1 $ M	Level 2 $ M	Level 3 $ M	Total $ M
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	11.7	71.3	-	83.0
- Commodity contracts	-	1.0	48.1	49.1
Derivatives used for hedging	2.2	0.9	-	3.1
Commodity inventory at fair value less costs to sell	-	6.8	456.8	463.6
Total assets	**13.9**	**80.0**	**504.9**	**598.8**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	5.2	94.2	-	99.4
- Commodity contracts	-	0.4	15.5	15.9
Derivatives used for hedging	2.5	28.3	-	30.8
Total liabilities	**7.7**	**122.9**	**15.5**	**146.1**

30 September 2014	Level 1 $ M	Level 2 $ M	Level 3 $ M	Total $ M
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	36.5	68.5	-	105.0
- Commodity contracts	-	0.6	45.8	46.4
Derivatives used for hedging	3.9	2.3	-	6.2
Commodity inventory at fair value less costs to sell	-	5.8	211.3	217.1
Total assets	**40.4**	**77.2**	**257.1**	**374.7**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	22.4	58.2	-	80.6
- Commodity contracts	-	-	27.1	27.1
Derivatives used for hedging	16.8	6.9	-	23.7
Total liabilities	**39.2**	**65.1**	**27.1**	**131.4**

10. Financial instruments (continued)

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition, measurement and disclosure purposes.

The fair value of financial instruments traded on active markets (such as exchange traded commodity derivatives and forward exchange contracts) is based on the quoted markets prices and forward exchange market rates as at the reporting date. The quoted market price used for financial assets and liabilities held by the Group is the market settlement price on the reporting date. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over the counter commodity and foreign currency derivatives) are determined using the Black Scholes pricing model, which is sourced from a widely used market pricing provider. The fair value of interest rate swap contracts is received from market counterparties as at balance date. The valuation methodology used by the counterparties reflects common market practice of net present value of estimated future cashflows determined by observable yield curves. These instruments are included in Level 2.

The fair value of physical positions comprising inventory, forward sales and forward purchases for commodity trading do not have quoted market prices available. To obtain the market prices, bid values are sourced from commodity brokers defined by commodity and grade type. The market prices are amended through location and grade differentials (market zone adjustments) to bring them to a common point. These instruments are included in Level 3.

There were no changes made to any of the valuation techniques applied as of 30 September 2014.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no instruments reclassified between levels for the half year ended 31 March 2015. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 March 2015.

The following table presents the changes in Level 3 financial assets and liabilities for the half year ended 31 March 2015 and the year ended 30 September 2014.

	Half year 2015		Full year 2014	
	Commodity Contracts $ M	Commodity inventory at fair value $ M	Commodity Contracts $ M	Commodity inventory at fair value $ M
Opening balance as at 1 October	18.7	211.3	13.5	162.8
Unrealised gain / (loss) recognised in profit and loss	6.0	15.9	0.2	(8.7)
Net acquisitions and disposals	7.9	229.6	5.0	57.2
Closing balance	**32.6**	**456.8**	**18.7**	**211.3**

Fair value of the other financial instruments

The carrying amounts of other financial assets and liabilities are reasonable approximations of their fair values.

10. Financial instruments (continued)

Financial risk management –commodity price risk

Commodity price risk arises due to grain and edible oil price fluctuations impacting on the value of commodity forward purchase and forward sales contracts written by the Group as part of its grain, meal and edible oil marketing activities. The Group's policy is generally to lock in favourable margins between the purchase and sale price of commodities but differences in the timing of entering into these contracts create an exposure to commodity price risk.

To manage exposure to this commodity price risk, the Group enters into futures contracts, options contracts and over-the-counter contracts with terms between 2 and 24 months depending on the underlying transactions. These contracts are predominantly on Australia, New Zealand, US, Canada and Europe based financial markets and denominated in those currencies. Changes in fair value are recognised immediately in the income statement.

Commodity trading assets and liabilities subject to commodity price risk as at 31 March 2015 and 30 September 2014 are:

	Fair value of derivatives and physical inventory $ M	Net effect of a 20% appreciation in price on post-tax profit or loss $ M	Net effect of a 20% depreciation in price on post-tax profit or loss $ M
31 March 2015	516.0	1.8	(1.8)
30 September 2014	256.5	(2.9)	2.9

The fair value for commodity trading assets and liabilities subject to commodity risk is defined as follows:

- Inventory: the market value amount as at reporting date.
- Forward purchase and sales contracts: mark to market as at reporting date.
- Commodity futures: mark to market as at reporting date.
- Commodity options: market value amount as at reporting date.

Discussion of sensitivity analysis

A 20% movement in commodity prices has been determined as a reasonably possible change based on recent market history specific to agricultural commodities. However, due to controls the Group has in relation to commodity trading, such as trading limits and stop losses, it is not expected that a change of this magnitude would crystallise. The 20% movement is calculated over the market value amount of the net exposure of the commodity physical and derivative contracts.

Commonly traded commodities include wheat, sorghum, barley, tallow, vegetable oil, canola and pulses.

11. Events occurring after the reporting period

Since half year end the unsecured term debt facilities which were due to mature in July 2016 and October 2016 have been refinanced to extend tenure in the range of 4.5 to 7 years (average of 5.3 years) on improved terms.

Other than reported above, no other matter or circumstance has arisen since 31 March 2015 which has significantly affected or may significantly affect:

a) the Group's operations in future financial years; or

b) the results of those operations in future financial years; or

c) the Group’s state of affairs in future financial years.

Directors' Declaration

In the Directors' opinion:

a) the financial statements and notes set out on pages 4 to 20 are in accordance with the *Corporations Act 2001*, including:

  i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  ii. giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

D C Taylor
Chairman

Sydney
14 May 2015

Independent Auditor's Report

Independent auditor's review report to the members of GrainCorp Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GrainCorp Limited (the Company), which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the GrainCorp Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GrainCorp Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GrainCorp Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the half-year ended on that date;
b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
14 May 2015

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